BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2003-58-T - ORDER NO. 2003-98

FEBRUARY 27, 2003

IN RE: Application of South Carolina Tariff Bureau,

FUEL SURCHARGE

Inc. for a Fuel Price/Percentage Matrix

ORDER

This matter comes before the Public Service Commission of South Carolina (the Commission) on the February 12, 2003 request of the South Carolina Tariff Bureau (the Bureau) for approval of a five percent emergency fuel surcharge. The Bureau states that there has been much recent concern over the increasing price of fuel and the effect that it is having on the transportation business as a whole. Further, the Bureau notes that it had such a fuel surcharge in effect between January 2000 and November 2001. Also, according to the Department of Energy, the national fuel price average is \$1.54 a gallon. This is apparently as high as the average has been since December 2000. Currently, the Household Goods Carriers Bureau has a 5 percent surcharge in effect on interstate moves. The Bureau opines that with no predicted decline in fuel cost, the movers in South Carolina need immediate relief.

The Bureau proposes the five percent emergency fuel surcharge as a short term solution to the fuel price problem. As a long term solution, the Bureau proposes a fuel matrix to ultimately replace the emergency fuel surcharge. The Bureau believes that the matrix is fairer because it increases or decreases based on the national fuel price average.

We have examined both options. Because of the following reasoning, we approve the five percent emergency fuel surcharge as of the date of this Order, and hold that notice of the fuel matrix proposal should be published as per the appropriate Commission Regulation.

With regard to the approval of the five percent emergency fuel surcharge, Commission Regulation 103-194 states that when considering the prescription of just and reasonable rates for the transportation of property, the Commission may give due consideration, among other factors to the need in the public interest of adequate and efficient transportation service at the lowest cost consistent with the furnishing of such service and to the need of such carriers for revenues sufficient to enable them, under economical and efficient management, to provide such service. It appears to us that the emergency fuel surcharge is needed in order to provide sufficient revenues to the motor carriers, even under economical and efficient management, to provide adequate and efficient transportation service to their customers. Clearly, there is no decline predicted in the high cost of fuel. Further, interstate moves are already subject to such a surcharge. We believe that the Bureau is also entitled to the surcharge on an intrastate basis, in order to attempt to offset the high cost of fuel, and therefore allow the members of the Bureau to provide efficient transportation service to their customers.

In consideration of the fuel matrix proposal, we would note that Commission Regulation 103-193 (2) allows this Commission to use its discretion in requiring the publication of a notice of the filing of any new or changed transportation rate. Because the fuel matrix proposal is considered to be a long term solution, we believe that

publication of a notice such as contemplated by that regulation would be reasonable, and

we hereby order it. We believe that the public should be allowed the opportunity to

comment on what would be a long term plan to address transportation fuel costs.

Accordingly, said notice is hereby required. Once the noticing process is complete, the

Commission Staff is hereby ordered to further discuss the matter with this Commission.

This Order shall remain in full force and effect until further Order of the

Commission.

BY ORDER OF THE COMMISSION:

Mignon L. Clyburn, Chairman

ATTEST:

Gary E. Walyn, Executive Director

(SEAL)